

## Unit 4 Textbook Rationales

1. d A joint tenancy can only be created by an intentional act and requires the four unities—PITT—to be present.
2. b When joint tenancy is not clearly prescribed by the deed, grantees take title as tenants in common—to avoid *accidental* joint tenancy. Friends are unable to hold community property or be tenants by the entirety because both are reserved for married couples.
3. a When one of three joint tenants sells to a new owner, the other two owners remain joint tenants with respect to each other. The new owner is a tenant in common and is not owner in severalty of the entire property because severalty is sole ownership.
4. b A person owns part of a development in fee and a percentage of the rest in common with the other unit owners in condominium ownership.
5. c A trustor creates a trust for a beneficiary who benefits from the trust. A third party, a trustee, holds legal title to the property and is entrusted with carrying out the trustor's instructions.
6. d This arrangement falls under community property law, which is found—with some variations in details—in Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin, and as an option in Alaska.
7. b If the deceased had been a joint tenant, the property would not have passed to an heir because joint tenancy supersedes a will. The deceased was not a tenant by the entirety, a category reserved for husbands and wives. Nor was the deceased an owner in severalty because that requires property to be held by only one person.
8. a A trust protects the interests of a beneficiary. A partnership can protect limited partners; a corporation can protect stockholder-owners.
9. d In a cooperative, a corporation holds title to the property and offers stock shares to a resident, who then receives a proprietary lease to a unit.
10. c When a person holds an interest in property for a stated time each year, that person is sharing the property as a time-share.
11. c The term *person* does not always refer to a human being; the law regards a corporation as a person for certain purposes. Because this is so, a corporation can be the sole owner of real estate in severalty.
12. d *Severalty ownership* is ownership by one person severed—cut off—from all others.
13. d Married persons may own together as tenants in common, joint tenants, or holders of community property. Being more than one person, a couple cannot own property in severalty. The right of survivorship is a distinguishing feature of tenancy by the entirety—a form of joint tenancy reserved for a married couple.
14. b Because it involves receiving shares of stock and a leasehold—both of which are considered by common law to be personal property—cooperative ownership is personal, not real, property.

15. c Upon the death of one of two parties in a joint tenancy, none of the joint tenancy passes to the heirs of the first to die, but to the surviving joint tenant.
16. c The documents that show ownership in a cooperative are shares of stock in the cooperative corporation and a proprietary lease.
17. b A real property interest and the right to use the facilities for a certain period of time is called a time-share.
18. b Tenancy by the entirety is a subtype of joint tenancy and is reserved for married couples. In both, there is right of survivorship. The last survivor becomes sole (severalty) owner.
19. b When just one individual owns the property, the arrangement is known as ownership in severalty.
20. a The right of survivorship means that the interest of a deceased cotenant will pass to, and be divided equally among, the surviving cotenants.